

**STATE OF ILLINOIS
BEFORE THE ILLINOIS COMMERCE COMMISSION**

IQ TELECOM, INC.

Application for a certificate of
local and interexchange authority to operate
as a reseller and facilities based carrier of
telecommunications services throughout
the State of Illinois

Docket No. 01-_____

**TESTIMONY OF MARK SHMIKLER
IN SUPPORT OF THE APPLICATION OF
IQ TELECOM, INC.**

Q: PLEASE STATE YOUR FULL NAME, BUSINESS ADDRESS, AND TITLE FOR THE RECORD.

A: My name is Mark Shmikler, and my business address is 3215 West 127th St., Blue Island, Illinois 60406. I am the Vice President of IQ Telecom, Inc.

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: I am testifying in support of the Application of IQ Telecom, Inc. for a certificate of service authority to operate as a telecommunications carrier within the state of Illinois.

Q: ARE ALL STATEMENTS IN THE COMPANY'S APPLICATION FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TRUE AND CORRECT TO BEST OF YOUR KNOWLEDGE, INFORMATION AND BELIEF?

A: Yes, unless as modified in this testimony.

OFFICIAL FILE

I.C.C. DOCKET NO. 01-0333
Applicant's Exhibit No. Group 1
Witness _____
Date 12-31-01 Reporter RG

Q: CAN YOU BRIEFLY OUTLINE WHAT RELIEF THE APPLICANT SEEKS?

A: Yes, I can. As described in the Application, the Company requests an order from the Commission granting IQ Telecom, Inc. a Certificate of Service Authority under Sections 13-403, 13-404 and 13-405 to provide local exchange and interexchange telecommunications services within the State of Illinois, to the extent permitted by law.

Q: PLEASE DESCRIBE THE COMPANY'S CORPORATE STRUCTURE.

A: IQ Telecom, Inc. is an Illinois corporation. A copy of the Company's Articles of Incorporation is attached to the Company's Application as Exhibit A.

Q: PLEASE DESCRIBE THE COMPANY'S SERVICE OFFERINGS AND ITS PROPOSED TERRITORY.

A: The Company intends to provide facilities-based and resold local exchange, exchange access and interexchange telecommunications services throughout the State of Illinois, to the extent permitted by law. The Company does not currently plan to provide local exchange services in those areas where a small or rural LEC is exempt from the requirement to provide services to competing telecommunications carriers.

The Company will initially be offering local exchange service and interexchange services to customers. The Company will deploy its services by initially reselling local exchange services from incumbent local carriers, and will over time install additional facilities.

I. MANAGERIAL, TECHNICAL, AND FINANCIAL RESOURCES.

Q: COULD YOU PLEASE IDENTIFY THE COMPANY'S KEY OFFICERS AND EMPLOYEES.

A: Dan Gentile is the President of the Company. Dan Signore and I serve as Vice Presidents of the Company. All of the key officers and employees have extensive managerial and technical experience in the telecommunications industry.

Q: PLEASE DESCRIBE THE RELEVANT BUSINESS OR PROFESSIONAL EXPERTISE THAT SOME OF THESE OFFICERS AND DIRECTORS BRING TO THE COMPANY TO PROVIDE TELECOMMUNICATION SERVICES.

A: Daniel Gentile serves as the president of the Company. In addition to his role as President of IQ Telecom, Mr. Gentile is the current president of DialCom Systems, Inc., a certified public telecommunications provider in the State of Illinois. DialCom operates approximately 2,000 public payphones in Illinois and Indiana since its inception in 1985. His day-to-day duties include: marketing, sales, accounting, customer relations and overseeing regulatory issues. Mr. Gentile is also a board member and Vice President of the Illinois Public Telecommunications Association ("IPTA") as well as a member of the Indiana Payphone Association. Prior to co-founding DialCom in 1985, Mr. Gentile was president of DialCom Business Telephone Systems, a company that installed and maintained telephone systems throughout Illinois.

Dan Signore serves as the Vice President of the company. In addition to his role as a Vice President of IQ Telecom, Mr. Signore serves as Vice President of Dial Com Systems, Inc. His day-to-day duties include supervising and directing the administrative service and installation departments of DialCom. He also is responsible for negotiating contract with suppliers. Prior to Co-Founding DialCom, Mr. Signore was vice president of DialCom Business Telephone Systems. Mr. Signore has also completed a three-month training course giving him additional experience on the installation of telephone systems as well as the provisioning of telecommunications services from the incumbent local exchange carrier.

I also serve as the Company's Vice President. In addition to this office, I am the President and founder of Illinois Payphone Systems, Inc. ("IPSI"). IPSI is a public payphone provider operating approximately 1,600 payphones primarily in Illinois and Wisconsin since 1993. My day-to-day duties include: marketing, sales, accounting, operations, customer relations and regulatory oversight. In addition, I serve as an officer of the IPTA and a Board member of the Wisconsin Pay Telephone Association. Prior to founding IPSI, I was President and co-founder of Corky's Catering, which I sold after 14 successful years in 1992.

Q: DO YOU BELIEVE THAT THESE OFFICERS POSSESS SUFFICIENT MANAGERIAL AND TECHNICAL ABILITIES TO PROVIDE THE SERVICES FOR WHICH THE COMPANY HAS APPLIED FOR AUTHORITY?

A: Yes.

Q: HAS THE COMPANY PROVIDED A PROPOSED TARIFF?

A: No. The Company, however, will file a tariff before it initiates telecommunications services in Illinois.

Q: PLEASE PROVIDE INFORMATION CONCERNING THE COMPANY'S CUSTOMER SERVICE AND REPAIR CONTACTS.

A: The Company will staff its office with a general manager, engineer, and a customer service coordinator to serve its customers prior to offering service in Illinois. Dan Signore will oversee the company's network maintenance and repair systems and procedures. The Company will establish a toll-free customer service number, and this number would apply to all Illinois customers. Customers may contact the Company at this number 24 hours per day.

The Company intends to contract with the Incumbent Local Exchange Carrier to handle most of the company's customer repair and service issues. The Company will have a local office staffed with technical personnel after initiating facilities-based services.

Q. PLEASE DESCRIBE THE COMPANY'S INTERNAL PROCESS FOR COMPLAINT RESOLUTION.

A. As mentioned above, the company will have a toll-free number dedicated to customer service issues. The toll-free number will be staffed by trained customer service representatives familiar with the Company's billing process and offered services. If the customer service representative is unable to satisfy the customer, the problem will be brought the attention of a supervisor. After the supervisor has discussed the problem with the customer and the

customer is still not satisfied with the result, the customer will be informed of his or her right to file a complaint at the ICC. The supervisor will also be instructed to escalate the customer's complaint to the attention of either Dan Gentile or myself.

Q. HAVE ANY COMPLAINTS OR JUDGEMENTS BEEN LEVIED AGAINST THE COMPANY?

A. No.

Q. HAS THE COMPANY BEGUN TO NEGOTIATE THE TERMS OF AN INTERCONNECTION AGREEMENT WITH AN INCUMBENT LOCAL EXCHANGE CARRIER?

A. No, not yet. The incumbent carrier requires a certification prior to entering into an interconnection agreement with any competitive providers.

Q. HOW WILL THE COMPANY MARKET ITS SERVICES TO CUSTOMERS IN ILLINOIS?

A. As the Company develops, it will employ sales personnel in the state to contract directly with customers. The Company does not intend to use telemarketing companies, but may in the future. Furthermore, the Company intends to bill its customers in advance of providing services, and therefore does not anticipate customer complaints generally associated with "cramming." The Company of course will comply with all state and federal cramming and slamming regulations.

Q. COULD YOU PLEASE DESCRIBE THE FINANCIAL RESOURCES THAT ARE AVAILABLE TO THE COMPANY IN THE PROVISION OF TELECOMMUNICATIONS SERVICES?

A. I have attached to this testimony Exhibit A, which is a breakdown of the Company's current financial status. I believe that this information shows that the Company has the necessary financial capability to operate as a reseller and facilities-based provider of telecommunications services in Illinois. Due to the proprietary nature of this Exhibit, I would request the Commission treat this Exhibit A as confidential.

II. COMPLIANCE WITH ICC REGULATIONS.

Q: WILL THE COMPANY COMPLY WITH ALL APPLICABLE RULES AND ORDERS?

A: Yes. The Company will comply with all applicable Commission rules, regulations, orders, tariff and other service requirements relevant to the provision of telecommunications service.

Q. WILL THE COMPANY MEET THE REQUIREMENTS OF SECTIONS 13-301 AND 13-301.1 OF THE PUBLIC UTILITIES ACT AND THE EMERGENCY TELEPHONE SYSTEM ACT (ETSA), 50 ILCS 750.01 ET SEQ?

A. The Company will meet all statutory and regulatory requirements legally imposed on them as a provider of local exchange and interexchange services. That includes complying with the terms of Sections 13-301 and 13-301.1, as well as the ETSA.

Q. WILL THE COMPANY COMPLY WITH THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PARTS 720 AND 725 APPLICABLE TO 9-1-1 EMERGENCY SYSTEMS?

A. Yes, the Company will satisfy all statutory and regulatory requirements legally imposed on them as a provider of local exchange and interexchange services.

Q. HOW WILL THE COMPANY ENSURE THAT ITS CUSTOMERS HAVE ACCESS TO THE 911 EMERGENCY SERVICES SYSTEMS, AND THAT THE CUSTOMERS WILL BE LISTED IN THE 911 EMERGENCY SERVICES DATABASE?

A. First, let me say that I will be the Company's contact person for all 911 Emergency Services issues. I can be reached at (708) 371-5550. I will be responsible for ensuring that 911 traffic is handled in accordance with all Commission Rules and the Emergency Telephone System Act. Prior to beginning operations in each territory, the Company will coordinate with the incumbent local exchange carriers to establish a working relationship with 911 systems.

Q. WILL THE COMPANY COORDINATE WITH THE INCUMBENT LEC(S) AND LOCAL 9-1-1 SYSTEMS TO MINIMIZE OBSTACLES AND PROVIDE TRANSPARENT SERVICE TO THE END-USERS?

A. Yes. The Company will be providing customer information to the LEC for the LEC 911 database. The Company will coordinate with the local exchange carriers to assure that there will be seamless emergency 911 services. I will be responsible for updating the Company's

listing of customers in the emergency 911 services database, and will provide that information to the incumbent (the incumbent will update the data base, with information we provide.) This information will be updated on a 24-hour basis (customer information will be provided to the incumbent for database entry within 24 hours.)

Q. WILL THERE BE ANY ADDITIONAL CALL SETUP TIME FOR 911 CALLS?

A. No. In addition, to the best of our knowledge, there will be no need to change existing 911 systems.

Q. HOW WILL THE COMPANY HANDLE THE BILLING OF 911 SURCHARGES AND ITAC LINE CHARGES?

The Company's billing systems will have the ability to distinguish between "facilities-based" customers and "reseller" customers for purposes of collecting and remitting the 911 surcharges and the ITAC line charges. As a reseller, I understand that the ILEC is able to collect and remit the 911 surcharges and the ITAC line charges. Once the Company is facilities-based, the Company will remit 911 surcharges that it collects to the local 911 emergency services system as well as collect and remit the ITAC line charges.

Q. WILL THE COMPANY PROVIDE CALL BOXES?

A. No. The Company will not provide call boxes, and will file a waiver of Part 725.500 and 725.600 after the Company's application is approved.

Q. WHO IS THE PERSON THAT WOULD SERVE AS THE COMPANY'S CONTACT TO THE CONSUMER SERVICE DIVISION TO RESOLVE CUSTOMER COMPLAINTS?

A. The Commission can contact me at (708) 371-5550.

Q. WILL THE COMPANY FOLLOW THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 705, RELATING TO THE PRESERVATION OF RECORDS?

A. Yes.

Q. WILL THE COMPANY FOLLOW THE REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 755 AND 756 FOR THE DISTRIBUTION AND PROVISION OF TTY AND TELECOMMUNICATIONS RELAY SERVICE?

A. Yes. The Company will work with the ITAC to provide these services directly in order to make these services available to its voice grade telecommunications customers.

Q. WILL THE COMPANY SIGN AND RETURN TO THE UNIVERSAL TELEPHONE ASSISTANCE CORPORATION (UTAC) ALL OF NECESSARY MEMBERSHIP FORMS IN A TIMELY MANNER AND REMIT TO UTAC THE LINE CHARGE AMOUNTS COLLECTED MONTHLY FROM ALL TELEPHONE SUBSCRIBERS

**FOR THE TTY EQUIPMENT LOAN PROGRAM AND TELECOMMUNICATIONS
RELAY SERVICE?**

- A. Yes. In fact, the Company has already completed and returned its application to the Universal Telephone Assistance Corporation ("UTAC") and ITAC by sending a copy to the ICC Staff.

**Q. WILL THE COMPANY FOLLOW THE REGULATIONS PRESCRIBED IN 83
ILLINOIS ADMINISTRATIVE CODE PART 757, "TELEPHONE ASSISTANCE
PROGRAMS"?**

- A. Yes. The Company will meet all statutory and regulatory requirements legally imposed on them as a provider of local exchange and interexchange services. The company will solicit, collect, and remit the voluntary contributions from our subscribers to support the Telephone Assistance Programs. In addition, the company will offer all of the waivers associated with the Universal Telephone Service Assistance Programs (UTSAP.)

**Q. DOES THE COMPANY INTEND TO BECOME AN ELIGIBLE
TELECOMMUNICATIONS CARRIER?**

- A. The Company has not made that determination as yet. The Company does understand that it will not be able to receive any of the federal reimbursements for the Lifeline and Link Up Programs if it is not an eligible carrier.

III. WAIVERS OF ADMINISTRATIVE CODE PROVISIONS

Q: HAS THE COMPANY REQUESTED ANY WAIVERS OF ADMINISTRATIVE CODE PROVISIONS?

A: Yes. The Company requests that it be exempted from 83 Illinois Administrative Code 710, which pertains to the uniform systems of accounts, 83 Illinois Administrative Code Part 735 for only its interexchange customers, and 83 Illinois Administrative Code 735.180, which requires local exchange carriers to list its customers in its directory.

Q: TO QUALIFY FOR THE EXEMPTION OF SECTION 735.180, WILL THE COMPANY MAKE ARRANGEMENTS WITH THE INCUMBENT LOCAL EXCHANGE CARRIER TO LIST ITS CUSTOMERS WITH A PUBLISHED DIRECTORY FOR ITS VOICE-GRADE TELECOMMUNICATIONS SERVICE CUSTOMERS.

A: Yes, to comply with the requirement that the Company list its voice customers in a directory, the Company will make arrangements to list its customers in a directory published by an incumbent local exchange carrier.

Q. WILL THE COMPANY FOLLOW THE REMAINING REGULATIONS PRESCRIBED IN 83 ILLINOIS ADMINISTRATIVE CODE PART 735 RELATING TO CREDIT, BILLING AND DEPOSITS?

A: Yes.

Q. WILL THE COMPANY COMPLY WITH ALL OTHER REQUIREMENTS UNDER 83 ILLINOIS ADMINISTRATIVE CODE PART 735 FOR ITS LOCAL EXCHANGE SERVICES.

A. Yes. The Company requests a waiver of Part 735 for its competitive interexchange services, but will comply with the other provisions of Part 735 for its local exchange services.

Q. ON WHAT BASIS DOES THE COMPANY REQUEST A WAIVER OF THE REQUIREMENTS UNDER 83 ILLINOIS ADMINISTRATIVE CODE SECTION 710 THAT THE COMPANY'S BOOKS AND RECORDS BE MAINTAINED UNDER THE UNIFORM SYSTEM OF ACCOUNTS?

A. The company requests that it be exempted from 83 Illinois Administrative Code 710, which pertains to maintaining its books and records under the uniform systems of accounts. The Commission may grant a waiver of Part 710 (which substantially mirrors 47 CFR Section 32.18) upon a showing that:

existing peculiarities or unusual circumstances warrant a departure from a prescribed procedure or technique;

a specifically defined alternative procedure or technique will result in a substantially equivalent or more accurate portrayal of operating results or financial condition, consistent with the principles embodied in the provisions of this system of accounts;

and the application of such alternative procedure will maintain or improve uniformity in substantive results as among telecommunications companies.

Q. ARE THERE EXISTING PECULIARITIES OR UNUSUAL CIRCUMSTANCES THAT WARRANT A DEPARTURE FROM MAINTAINING THE COMPANY'S BOOKS AND RECORDS UNDER THE USOA?

A. Yes. The Company is not required at this time to maintain its books and records under the USOA for its interstate services. Therefore, the "existing peculiarity" is that if the Company does not obtain a waiver of Part 710 for the interexchange or local exchange services in Illinois, it will have to maintain two separate accounting systems for its Illinois intrastate services (intraexchange and interexchange) as well as two separate accounting systems for its originating resold local exchange traffic which terminates intrastate and originating resold local exchange traffic that terminates interstate. Maintaining books and records in this manner would be particularly burdensome on the Company.

Q. IS THERE AN ALTERNATIVE PROCEDURE OR TECHNIQUE THAT WILL RESULT IN A SUBSTANTIALLY EQUIVALENT OR MORE ACCURATE PORTRAYAL OF OPERATING RESULTS OR FINANCIAL CONDITION OF THE COMPANY, CONSISTENT WITH THE PRINCIPLES EMBODIED IN THE PROVISIONS OF THE USOC?

A. Yes. The Company will maintain its books and records according to generally accepted accounting principles, and an independent public accounting firm in accordance with generally accepted standards will compile its books and records annually. The primary purpose of the USOA is to have a stable, recurring method of reporting financial information to allow regulators and management to assess financial performance. (47 CFR Section 32.1.)

If the Company is required to now maintain its books and records for its intrastate telecommunications services under the USOA, its books and records would be a hodge-podge compilation of varying systems of accounts. The Company and the Commission can more accurately determine financial performance through the Company's existing system of maintaining books and records. The regulations state that "the USOA has been designed to reflect stable, recurring financial data based to the extent regulatory considerations permit upon the consistency of well established body of accounting principles." By continuing to maintain its records according to generally accepted accounting principles, rather than the exact USOA format, the Company actually satisfies the objective of Part 710. Requiring the Company to switch to the USOA format for some of its services, would create a situation where neither management nor regulators could accurately assess financial events of the Company.

Q. COULD YOU PROVIDE THE COMMISSION WITH A CHART OF THE ACCOUNTS THE COMPANY MAINTAINES?

A. Attached as Exhibit B is a chart of the accounts maintained by the Company.

Q. WILL THE COMPANY STILL BE ABLE TO FILE THE REQUIRED REPORTS AND TAX RETURNS?

A. The Company will file all required Annual Reports, invested capital tax returns, public utility tax returns, and telecommunications excise tax returns. These reports require the Company to report the value of its "telecommunications plant", which is defined by 47 CFR Section

32.2000, and the annual gross revenue derived from providing telecommunications services. Therefore, the Company will have to maintain its books and records in sufficient detail to comply with all Illinois tax return and annual report requirements.

Q. WILL THE COMPANY'S ACCOUNTING SYSTEM PROVIDE SUFFICIENT DETAILED DATA FOR THE PREPARATION OF ILLINOIS GROSS RECEIPTS TAX RETURNS?

A. Yes.

Q. WILL GRANTING THE WAIVER OF PART 710 TO THE COMPANY ALLOW THE COMMISSION TO MAINTAIN OR IMPROVE UNIFORMITY IN SUBSTANTIVE RESULTS AS AMONG TELECOMMUNICATIONS COMPANIES?

A. Yes. To the best of my knowledge, no other interexchange carrier certified in Illinois is require to maintain its books and records under Part 710.

A. DOES THE COMPANY AGREE THAT THE REQUESTED WAIVER OF PART 710 WILL NOT EXCUSE IT FROM COMPLIANCE WITH FUTURE COMMISSION RULES OR AMENDMENTS TO PART 710?

A. Yes.

Q. DO YOU BELIEVE THAT THE COMPANY HAS PROVIDED SUFFICIENT EVIDENCE TO SUPPORT ITS REQUEST FOR A WAIVER OF PART 710?

A. Yes I do.

Q. WHAT OTHER REQUIREMENTS WILL THE COMPANY COMPLY WITH AS PROVIDER OF INTEREXCHANGE AND LOCAL EXCHANGE SERVICES?

A. In addition to filing tariffs, the Company will file its Annual Reports with the Commission, the public utility tax payments and returns, and otherwise comply with the requirements imposed on other interexchange and local exchange carriers providing the types of services. In addition, the Company will take all steps necessary to comply with the Emergency Telephone System Act when it provides voice grade local exchange services.

Q: IS THE COMPANY'S APPLICATION IN THE PUBLIC INTEREST?

A: Yes. Granting the Company's application will further the public interest by expanding the availability of technologically advanced telecommunications facilities. The Company's network will provide Illinois consumers with the option of selecting from a wide range of innovative and personalized services that offer a number of significant technologic advantages in comparison to other access media. The Company's voice and data network will be able to maintain consistent, high speeds of service while providing secure connections that enable a consumer to complete calls. The Company will be able to furnish

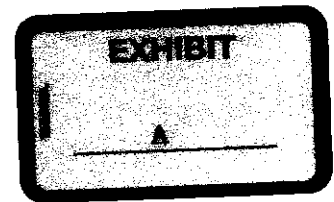
these services to Illinois consumers quickly and at lower cost because the Company intends to be a more efficient provider than the incumbent local exchange carrier.

Q. ARE THE COMPANY'S SERVICES AVAILABLE TO TTY CUSTOMERS?

A. Yes.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes.



IQ TELECOM, INC. BALANCE SHEET

As of October 19, 2001

ASSETS

Current Assets:

Checking/Savings

North Community Bank.....

Total Checking/Savings.....

Fixed Assets:

Computer.....

Office Equipment.....

085 Software.....

Service Track 1.....

Total Fixed Assets.....

Total Current Assets.....

TOTAL ASSETS

LIABILITIES.....

Shareholder's Equity.....
(common Stock 1000 Shares)

TOTAL LIABILITIES AND EQUITY

"Public Version"

EXHIBIT

B

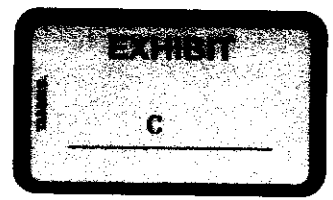
CHART OF ACCOUNTS

Account	Type
101. Bank Accounts	Bank
101-13 Northside Comm.- Op	Bank
101-14 Northside Comm.	Bank
101-15 Northside Refund	Bank
122. Furniture and Fixtures	Fixed Asset
124 Equipment	Fixed Asset
124-1 Equipment - Scales/Vacs/Air	Fixed Asset
124-2 Equipment - H/M	Fixed Asset
126 Vehicles	Fixed Asset
128 Leasehold Improvements	Fixed Asset
129 Equipment - Capital Leases	Fixed Asset
1400 Fixed Assets	Fixed Asset
1420 Accumulated Depreciation	Fixed Asset
130 Accumulated Depreciation	Other Asset
132 Accum. Dep. - Furniture	Other Asset
134 Accum. Dep. - Equipment	Other Asset
136 Accum. Dep. - Vehicles	Other Asset
138 Accum. Dep. - LH Improv.	Other Asset
139 Accum. Dep. - Capital Equip.	Other Asset
170 Deposits	Other Asset
171 Due From Shareholder	Other Asset
172 Due From Employees	Other Asset
175 Prepaid Income Tax	Other Asset
180 Advances	Other Asset
2000 Accounts Payable	Accounts Payable
202 Federal Withholding	Other Current Li.
204 State Withholding	Other Current Li.
205 Acc. Unemployment Comp.	Other Current Li.
207 Acc. Income Taxes	Other Current Li.
208 Due To Shareholder	Other Current Li.
2100 Payroll Liabilities	Other Current Li.
2110 Federal Withholding	Other Current Li.
2120 FICA	Other Current Li.
2122 Company	Other Current Li.
2124 Employee	Other Current Li.
2130 FUTA	Other Current Li.
2140 Medicare	Other Current Li.
2142 Company	Other Current Li.
2144 Employee	Other Current Li.
2150 SDI	Other Current Li.
2160 State Withholding	Other Current Li.
2170 SUI	Other Current Li.
290 Wage Garnishment	Other Current Li.
201 Notes Payable	Long Term Liability
2300 Loan Payable	Long Term Liability
251 Due Shareholder	Long Term Liability
270 All Auto Loans	Long Term Liability
3000 Opening Bal. Equity	Equity

301 Common Stock	Equity
302 Beginning Owners Equity	Equity
303 Owners Draw	Equity
308 Retained Earnings	Equity
351 Revenue	Income
351-00 Coin Deposit	Income
351-01 LEC Refunds for disc.	Income
351-02 Insurance Refunds	Income
351-03 Self owned phones	Income
351-04 Equipment purchases	Income
351-05 Operator Services	Income
351-06 Opticom Operator	Income
351-15 US Operators Op.	Income
351-17 ATT/PTS Operators	Income
351-09 Other - Misc.	Income
351-12 Payroll Taxes	Income
351-10 Gain/Loss On Disposition	Income
355 Other Income	Income
7010 Interest Income	Income
5000 Cost of Goods Sold	Cost of Goods Sold
353 Refunds to Customers	Expense
402 Office Supplies	Expense
402-01 Office Computers	Expense
402-02 Postage - Promotions	Expense
402-03 Janitorial Services	Expense
403 Shipping/Freight Charges	Expense
404-01 Postage - Operating	Expense
404-02 Postage Promotions	Expense
406 Office Salaries	Expense
406-01 Officer Salaries	Expense
407 Repairs and Maintenance	Expense
407-01 CAM	Expense
407-10 Parts - New	Expense
407-20 Parts - Refurbished	Expense
407-30 Warehouse Supplies	Expense
407-40 New Office	Expense
409 Legal	Expense
409-01 Legal - Lawsuits	Expense
409-02 Legal - Corporate Mat.	Expense
411 Personnel Expense	Expense
412 Sales Expense	Expense
412-01 Yellow Pages	Expense
412-02 Other Publications	Expense
412-03 Trade Shows	Expense
412-04 Association Dues	Expense
412-05 Miscellaneous	Expense
413 Depreciation	Expense
413-01 Dep. Exp. - Furniture	Expense
413-02 Dep. Exp. - Equipment	Expense
413-03 Dep. Exp. - Vehicles	Expense

413-04 Dep. Exp. - L.H. Imp.	Expense
413-05 Dep. Exp. - Capital Eq.	Expense
413-10 Amortization	Expense
414 Outside Services	Expense
414-01 Installation and Service	Expense
414-02 Outside Services - Off.	Expense
415 Location Commissions	Expense
416 Subs., Dues, and Fees	Expense
418 Meetings and Seminars	Expense
419 Travel	Expense
419-01 Travel and Entertainment	Expense
420 Unemployment Compensation	Expense
421 Medical Reimbursement	Expense
422 Pensions	Expense
423 Accounting Services	Expense
424 Miscellaneous	Expense
428 Other Taxes	Expense
428-01 911 Emergency Fee	Expense
428-02 Municipal Infrastructure Fee	Expense
428-03 State Infrastructure Fee	Expense
428-04 State Additional Charge	Expense
428-05 Federal Universal Serv. Fee	Expense
428-06 Federal @ 3%	Expense
428-07 Illinois @ 7%	Expense
428-08 Municipal @ 5%	Expense
429 Income Taxes	Expense
435 Armored Car Services	Expense
436 Bank Charges	Expense
437 Gas	Expense
437-01 Service Vehicles	Expense
437-02 Corporate	Expense
437-03 Sales	Expense
438 Late Fees	Expense
440 Security System	Expense
441 Purchase Taxes	Expense
480 CLEC Bills	Expense
499 Voided Check	Expense
6020 Advertising	Expense
6050 Automobile Expense	Expense
417-01 Service Vehicles Rep.	Expense
417-02 Corporate	Expense
417-03 Sales	Expense
6060 Bank Service Charges	Expense
6180 Contributions	Expense
6200 Depreciation Expense	Expense
6220 Dues and Subscriptions	Expense
6240 Equipment Rental	Expense
6380 Insurance	Expense
408-01 Insurance - Corporate	Expense
408-02 Insurance - Auto	Expense

408-03 Insurance - Health	Expense
408-04 Insurance - Officer Life	Expense
408-05 Insurance - Equipment	Expense
408-07 Workman's Comp.	Expense
408-08 Dental Insurance	Expense
6400 Disability Insurance	Expense
6440 Interest Expense	Expense
6450 Finance Charge	Expense
6480 Loan Interest	Expense
6500 Licenses and Permits	Expense
6530 Miscellaneous	Expense
6560 Payroll Expenses	Expense
6560-1 FICA - Employer	Expense
6560-2 Federal Payroll Taxes	Expense
6565 Benefits	Expense
6570 Bonuses	Expense
6575 Gross Wages	Expense
6580 Payroll Taxes	Expense
6585 FICA	Expense
6590 FUTA	Expense
6595 Medicare	Expense
6600 SDI	Expense
6605 SUI	Expense
6606 Payroll Tax Penalty	Expense
6607 Penalties	Expense
6610 Postage and Delivery	Expense
6620 Printing and Reproduction	Expense
6640 Professional Fees	Expense
6660 Legal Fees	Expense
6690 Rent	Expense
6710 Repairs	Expense
6720 Building Repairs	Expense
6730 Computer Repairs	Expense
6740 Equipment Repairs	Expense
6880 Telephone	Expense
410-01 Telephone - Office	Expense
410-03 Telephone - Cellular	Expense
410-04 Telephone - Radios	Expense
410-05 Pagers	Expense
6900 Travel and Entertainment	Expense
6910 Entertainment	Expense
6920 Meals	Expense
6930 Travel	Expense
6940 Utilities	Expense
427-01 Scavenger Services	Expense
427-02 Gas	Expense
6950 Gas and Electric	Expense
6960 Water	Expense
6999 Uncategorized Expenses	Expense
999 Fraudulent Check Cashing	Expense



IQ Telecom, Inc.'s Resumes of Key Personnel

Daniel Gentile

2001-present President, IQ Telecom, Inc.

1985-present founder and President DialCom Systems, Inc.

DialCom is a certified public telecommunications provider in the State of Illinois and operates approximately 2,000 public payphones in Illinois and Indiana.

- Duties include: marketing, sales, accounting, customer relations and overseeing regulatory issues.
- Prior to co-founding DialCom in 1985: founder and president of DialCom Business Telephone Systems, a company that installed and maintained telephone systems throughout Illinois.
- Other Affiliations: board member and Vice President of the Illinois Public Telecommunications Association ("IPTA") as well as a member of the Indiana Payphone Association.
- Education: college courses accredited, no degree received

Dan Signore

2001-present Vice President, IQ Telecom, Inc.

1985-present founder and Vice President DialCom Systems, Inc.

DialCom is a certified public telecommunications provider in the State of Illinois and operates approximately 2,000 public payphones in Illinois and Indiana.

- Duties include: marketing, sales, supervising and directing the administrative service and installation departments of DialCom.
- Prior to co-founding DialCom in 1985: founder and vice president of DialCom Business Telephone Systems, a company that installed and maintained telephone systems throughout Illinois.
- Education: college courses accredited, completed a three-month training program designed for CLEC representatives in 2001 on the installation of telephone systems as well as the provisioning of telecommunications services from the incumbent local exchange carrier.

Mark Schmikler

2001-present Vice President IQ Telecom, Inc.

1993-present founder and President of Illinois Payphone Systems, Inc.

IPSI is a public payphone provider operating approximately 1,600 payphones primarily in Illinois and Wisconsin since 1993.

- Duties include: marketing, sales, accounting, operations, customer relations and regulatory oversight.
- Other Affiliations: officer of the IPTA and a Board member of the Wisconsin Pay Telephone Association.
- 1978-1992: founder and President of Corky's Catering. Mr. Schmikler's ran all day-to-day operations of the company including: marketing, payroll, accounting, staffing, sales, customer relations, etc.
- Education: college courses accredited, no degree received